GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:922
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Forward Trading
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Will the Minister of FINANCE be pleased to state:

(a) whether the small and marginal farmers have benefited due to commencement of forward trading in commodities and if so, the details thereof; and

(b) the steps taken or proposed to be taken to optimize benefits to farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) The futures trading is a mechanism for price discovery and price risk management. The futures market discovers prices that are likely to prevail in future based on the information of expected demand and supply. Farmers benefit from the commodities futures markets through easier access to better information about future prices which help them in taking appropriate cropping and marketing decisions.
(b) The regulator and exchanges take various steps to impart knowledge and awareness about commodity derivatives market among farmers so that it can be used for their benefit. The exchanges have also installed price ticker boards at Agricultural Produce Market Committee (APMC) mandis for disseminating futures prices to the farmers on a real time basis.